Message Text

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INFO OCT-01 ISO-00 SS-15 SP-02 L-03 ARA-10 INR-07 IGA-02 PRS-01 /048 W

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P 182235Z JUL 77 FM AMEMBASSY LIMA TO SECSTATE WASHDC PRIORITY 5761

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E.O. 11652: GDS TAGS: EWWT, PE

SUBJECT: FMC INVESTIGATION OF SHIPPING AGREEMENTS

REF: STATE 165796

- 1. EMBASSY ECONOMIC/COMMERCIAL COUNSELOR CALLED ON AMBASSADOR JUAN DE LA PIEDRA, UNDER SECRETARY FOR ECONOMIC AFFAIRS AT FOREIGN MINISTRY, TO DISCUSS FEDERAL MARITIME COMISSION'S INVESTIGATION OF PRUDENTIAL AND LYKES SHIPPING AGREEMENTS WITH COMPANIA PERUANA DE VAPORES (CPV). MEEGIN WAS AT NOON JULY 18.
- 2. DURING COURSE OF MEETING E/C COUNSELOR DREW ON POINTS REFTEL TO DESCRIBE FMC ORDER OF INVESTIGATION AND HEARING, AND TO URGE GOP NOT TO CANCEL ITS RECOGNITION OF AGREEMENTS (OR TO REVERSE ITS CANCELLATION IF AGREEMENTS HAD ALREADY BEEN REVOKED). E/C COUNSELOR LEFT NON-PAPER BASED ON PARA 5 REFTEL TO SUPPORT DEMARCHE.
- 3. AMBASSADOR DE LA PIEDRA GRASPED POINT THAT GOP SHOULD NOT REVOKE AGREEMENTS. HE SUGGESTED CONFIDENTIAL

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THAT UNILATERAL REVOCATION ON PERU'S PART COULD IN A SENSE BE CONTRUED AS A VICTORY FOR THOSE IN THE REGULATORY AGENCY WHO DESIRED TO END SUCH COMMERICAL CARGO SHARING AGREEMENTS. ALTHOUGH HE HAD NOT BEEN INFORMED OF PROBLEM PREVIOUSLY (HE EXPRESSED SOME SURPRISE THAT PERUVIAN EMBASSY IN WASHINGTON HAD NOT REPORTED THESE DEVELOPMENTS),

AMBASSADOR DE LA PIEDRA PROMISED TO TAKE A PERSONAL INTEREST IN THIS MATTER AND TO BE IN TOUCH WITH E/C COUNSELOR IN NEAR FUTURE.

4. COMMENTS: (A) SO FAR THERE HAS BEEN NO PRESS OR OTHER PUBLIC REFERENCE TO THIS ISSUE. WE BELIEVE THE FMC'S ACTION COULD HAVE A SERIOUS EFFECT ON US-PERUVIAN RELATIONS. AS THE DEPARTMENT IS AWARE, PERUVIANS ARE EXTREMELY SENSITIVE TO ANY MOVES BY THE UNITED STATES SMACKING OF WHAT THEY HAVE SO OFTEN IN THE PAST DESCRIBED AS "ECONOMIC AGGRESSION". CERTAINLY THE IMPOSITION OF EQUALIZING FEES ON U.S. EXPORT CARGOES CARRIED BY PERUVIAN CARRIERS WOULD BE TAKEN HERE AS A HOSTILE ACTION. (B) IT WOULD APPEAR THAT AMBASSADOR DE LA PIEDRA, THE SENIOR ECONOMIC POLICY OFFICIAL IN FONOFF, IS SYMPATHETIC TO USG POSITION AS OUTLINED REFTEL. WE SHOULD KNOW SHORTLY WHETHER WE CAN AVERT REVOCATION OF SHIPPING AGREEMENTS, AND WILL REPORT RESULTS OF OUR EFFORTS PROMPTLY. SHLAUDEMAN

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Message Attributes

Automatic Decaptioning: Z

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: MARINE TRANSPORTATION, AGREEMENTS, CARGO HANDLING, INVESTIGATIONS

Control Number: n/a

Copy: SINGLE Sent Date: 18-Jul-1977 12:00:00 am Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 22 May 2009 Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA06026
Document Source: 10.00

Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS

Errors: N/A **Expiration:**

Film Number: D770268-0824

Format: TEL From: LIMA

Handling Restrictions:

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19770748/aaaaboxj.tel

Line Count: 81 Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3a921d68-c288-dd11-92da-001cc4696bcc

Office: ACTION EB

Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 2
Previous Channel Indicators: n/a

Previous Classification: CONFIDENTIAL Previous Handling Restrictions: STADIS Reference: 77 STATE 165796

Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags: Review Date: 07-Apr-2005 12:00:00 am

Review Event: Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 1831548 Secure: OPEN Status: NATIVE

Subject: FMC INVESTIGATION OF SHIPPING AGREEMENTS

TAGS: EWWT, PE To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/3a921d68-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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